

Fall 2008 –  
Winter 2009

## INDIANA STATE TEACHERS' RETIREMENT FUND

# Retired Members' Newsletter

Dear TRF Member,

With the recent news reports regarding the stock market and the struggles of some financial firms, it is natural that you may have some concerns about your benefits and investments with TRF. I want to take this opportunity to let you know that though I certainly understand your apprehension, I assure you that TRF is taking every reasonable step to protect your money and investments.

As a TRF retiree currently receiving a monthly pension benefit payment, I assure you that **recent events pose no risk to your current monthly benefit check**. Your pension benefit is provided by Indiana State law and backed by the State of Indiana. Further, TRF is currently in a strong cash flow position, as cash inflow from the State's general fund and payments from school districts are currently keeping pace with the outflow of cash needed to pay retirement benefits. **TRF does not currently rely on investment returns to fund pension payment obligations.**

As a retired TRF member, you are most likely familiar with the fact that your TRF benefit is comprised of two components: your base monthly pension and your Annuity Savings Account (ASA). As stated previously, **your monthly pension benefit is secure and independent of the financial market.** Before your retirement, the value of your ASA was determined by market performance unless your money was invested fully in the Guaranteed Fund. **For most members, ASA money is no longer invested in the market after retirement, and, as such, the value of the ASA and the payments received are not impacted by market fluctuations.**

**Members who chose option ASA 5 or ASA 6 for distribution of the Annuity Savings Account may have the ASA only (not the monthly pension benefit) subject to market fluctuations.** Options ASA 5 and ASA 6 involve deferring distribution of ASA monies until a later date. Until the time of distribution, ASA money is invested in any of the five available funds. It is up to the individual member to decide how his or her ASA is invested. Monies allocated to the Guaranteed Fund earn fixed interest at a rate established by the TRF Board of Trustees. The Guaranteed Fund annual rate of return is currently fixed at 5.5%. Monies allocated to the other alternative investment funds are subject to the performance of the financial markets. The impact to your ASA during the last quarter that ended on September 30, 2008 is reflected on your quarterly statement.

Events in the recent weeks have no doubt caused you concern, but you may remain confident that your pension is currently protected. If you have questions about your TRF benefit, please call us at (317) 232-3860 or toll-free at (888) 286-3544. Our office hours are Monday through Friday, 8:00AM – 4:30PM Eastern Time.

Sincerely,



Steven R. Russo  
Executive Director

## Helpful Hints from Gayle Byers, TRF's Anthem Representative

The last TRF Retired Members' Newsletter featured some information about special healthcare coverage sponsored by TRF and administered by Anthem. To clear up any confusion, Gayle Byers, TRF's representative at Anthem, offers the following information.

The Indiana State Teachers' Retirement Fund (TRF) offers an excellent complementary health program that backs up Medicare Parts A and B. As consultant for TRF, I receive a large number of calls and questions during the year from members who need assistance with a claim or clarification about enrollment. Based on that ongoing dialog, here are some points to keep in mind about this program that is available only to retired educators and their spouses through TRF:

- The Anthem/TRF program is only available to retired educators who are Medicare eligible. Several years ago we did have a companion program for early retirees (those not yet Medicare eligible), but that became unnecessary when Indiana legislation made provisions that allowed educators to remain on their respective group program, when qualified, until Medicare became primary.
- Anthem has specially designated phone numbers that are listed on the back of your ID card. These numbers should be used when your question has to do with claim payment confirmation or issues. A special unit at Anthem facilitates administration of this program.
- For years, the TRF program included a prescription drug plan. When Medicare Part D became available in 2006, TRF dropped the drug portion of your plan. The rationale for this was based on the fact that a large number of plans are offered to Medicare eligibles in Indiana with a wide variety of benefit choices. Most all of our members saved a considerable amount of premium dollars by purchasing an approved Part D plan that best accommodated the prescriptions they were using.
- The TRF plan renews every May 1. That is when the rates can change and when retired teachers who did not join the plan at the time of their eligibility may enroll. This is called an "open enrollment" period.
- All teachers who reach Medicare eligibility age may enroll in the TRF plan on the first of the same month they become Medicare eligible. That is the natural qualifying time and does not require waiting until open enrollment.
- The TRF plan functions secondary to Medicare Parts A & B and does not restrict members to a specific provider network. It does require that the provider be a willing participant with Medicare patients. Because this plan is restricted only to retirees from TRF, it is a group plan and has features that provide coverage that is broader than Medicare products offered on the open market.
- The only option offered through the TRF plan is a Vision Benefit. We often get questions about dental coverage, but that is not an option at this time.
- As consultant for the program, my main responsibility is to provide advice and counsel to the management of TRF. However, I do maintain a hotline that members may access if they need help on claim or service issues beyond what they have been able to get through the regular Anthem phone numbers. The hotline comes directly to my office at **(317) 852-3956**; you must, however, leave your name and phone number for a call back as this line is answered electronically. Our hotline cannot address questions regarding pension payments, the deductions from pensions, or changes in banking and addresses. Those calls should go directly to TRF at **(317) 232-3860** or **(888) 286-3544**.

Every year, prior to the May 1 renewal of the TRF plan, we do have a mass mailing that goes to both current participants in the program and also to retirees who have not yet enrolled. This is an excellent time to review the benefits offered through the Anthem/TRF program and to enroll if you have not previously done so.

One of the great advantages of this plan offered through TRF is the fact that premiums for the program are deducted from pension checks—so regardless of where you roam during retirement, your premium is paid and your benefit is available nationwide.